

Arul Kanda's evasive answers destroying 1MDB, Najib's credibility, says DAP
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Troubled 1Malaysia Development Berhad (1MDB) president Arul Kanda Kandasamy's refusal to come clean on the state of the fund and its "dodgy transactions" has destroyed its credibility and that of Prime Minister Datuk Seri Najib Razak, DAP said today.

Petaling Jaya Utara MP Tony Pua, who is one of the fiercest critics of 1MDB and Arul Kanda, said today the "evasive" responses given by 1MDB on the use of its funds were the reason no one trusted its answers.

"It is Arul Kanda's perpetual refusal to come clean on the state of 1MDB and its dodgy transactions which have destroyed the credibility of not only 1MDB, but also the prime minister," he said in a statement.

Pua's latest salvo comes as 1MDB issued a statement yesterday to clarify a US\$150 million loan from Finance Ministry-owned Export-Import Bank (Exim Bank) along with a letter of support.

"However, nothing was clarified in the clarification drafted in the most sly and evasive manner," Pua said.

Without elaborating how the funds were spent, 1MDB yesterday confirmed it had taken the multi-million ringgit loan from Exim bank, adding that the proceeds were utilised per terms of the agreement.

"It is a well-known fact that the 1MDB Group includes Edra Energy, a leading international independent power producer, with a portfolio of 13 power and desalination plants in five countries," said Arul Kanda, who is also group executive director.

"1MDB confirms that loan proceeds were utilised per the terms of the agreement, which is to 'finance the general corporate purposes, including but not limited to the working capital requirements, future capital expenditures and equity infusion of the energy business within the 1MDB Group of Companies'."

However, Pua noted that all Arul Kanda said was that 1MDB owned power plants overseas –a fact which was never disputed – but failed to address the question if the money from Exim Bank was used for them.

"What is most farcical, however, was what he didn't write. He did not at any point, in the two paragraphs, deny that the proceeds or a substantial portion of them was used to pay the balance of RM262 million to acquire the Pulau Indah land from Tadmax Resources Bhd.

"All Arul Kanda did was a miserable attempt to insinuate that the funds were used for its investments overseas, without actually saying so. That way, he can't be accused of lying outright," Pua said.

This was why, he added, former prime minister Tun Dr Mahathir Mohamad had called the 1MDB chief "dishonest".

"The former prime minister may be wrong about a lot of things, but he is absolutely spot-on about the integrity and character of the 1MDB president."

Pua had previously raised the issue of 1MDB's US\$150 million loan from Exim Bank in the Dewan Rakyat, asking the Finance Ministry to explain why the loan was given to finance the acquisition of an overvalued property on Pulau Indah.

Deputy Finance Minister Datuk Chua Tee Yong confirmed that Putrajaya had issued the loan and the letter of support, but defended the valuation of the property.

Another deputy finance minister, Datuk Ahmad Maslan, had on Wednesday revealed that the loan was for maintenance and upgrading of the company's energy assets overseas, denying that the money was used to purchase the Pulau Indah property from Tadmax Resources.

"However, when pressed to confirm the veracity of his information, he promised to double check and provide his response in writing.

"We call upon Datuk Ahmad Maslan to honour his promise to provide a written reply to the Exim Bank loan, which has not been received as at yesterday evening," he added.

Pua said he would not hesitate to refer the deputy minister to the House Rights and Privileges Committee for misleading the Dewan Rakyat if he failed to honour his promise.

Criticism has been mounting over the Finance Ministry wholly owned investment vehicle, established in 2009, which has chalked up debts of up to RM42 billion, backed by Putrajaya.

The auditor-general is currently looking through 1MDB's books, with a preliminary report expected to be submitted to Parliament by the end of this month. – June 19, 2015.

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